M. Douglas Haywoode 71 Maple Street Brooklyn, NY, 11255 Attorney for Plaintiff John L. Edmonds

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

JOHN L. EDMONDS, INDIVIDUALLY AND AS A MANAGING GENERAL PARTNER OF FIFTH AND 106TH STREET HOUSING COMPANY, INC., LOGAN PLAZA ASSOCIATES, LP, CHARLES H. ASSOCIATES a/k/a CHARLES H. HILL ASSOCIATES, LP AND AS A LIMITED PARTNER OF CHURCH HOME ASSOCIATES, LP,

Plaintiff,

-against-

ROBERT W SEAVEY, INDIVIDUALLY AND AS A GENERAL PARTNER OF FIFTH AND 106TH STREET ASSOCIATES, LP, LOGAN PLAZA ASSOCIATES, LP, CHARLES HILL ASSOCIATES, CHARLES HILL ASSOCIATES, LP AND AS A LIMITED PARTNER OF CHURCH HOME ASSOCIATES, LP; PHYLLIS M. SEAVEY INDIVIDUALLY AND AS OWNER, MANAGER AND MEMBER OF DALTON MANAGMETNT COMPANY LLC; AVERY B. SEAVEY, INDIVIDUALLY AND AS A GENERAL PARTNER OF LOGAN PLAZA ASSOCIATES, LP, CHURCH HOME ASSOCIATES AND OWNER OF DALTON MANAGEMENT COMIPANY, LLC; NEALE B. SEAVEY, INDÍVIDULLY AND AS ÓWNER, MANAGER AND MEMBER OF DALTON MANAGEMENT COMPANY, LLC; AND RONALD DAWLEY AS CHIEF EXECUTIVE OFFICER OF DALTON MANAGEMENT COMPANY. LLC; DALTON MANAGEMENT COMPANY, LLC, THE SEAVEY ORGANIZATION, and MARK PANETH & SHRON, Auditors.

Defendants.

Index No.: 08 CIV 5646

VERIFIED ANSWER TO COUNTERCLAIM

Plaintiff, John L. Edmonds ("Plaintiff") by and through his attorney M. Douglas

Haywoode, as and for his Verified Answer to the Counterclaims of the Defendants, Robert W.

Seavey, Phylis M. Seavey, Avery B. Seavey, Ronald Dawley, Dalton Management Company,

LLC, and the Seavey Organization (collectively, "Defendants") hereby states as follows:

1. Denies each and every allegation contained in paragraphs numbered 6, 7, 12, 13,

17, 21, 22, 23, 30, 31, 36, 37.

2. Denies knowledge and information sufficient to form a belief as to each and every

allegations contained in the paragraphs numbered 1, 2, 18, 19, 20, 25, 29, 32, 33.

3. Denies each and every allegation contained in paragraph 8, except admits that

certain interests were pledged and subsequently redeemed.

4. Denies each and every allegation contained in paragraph 9, that any such interest

has been transferred, but, admits that such were pledged to secure a money loan, which has been

repaid in the amount of approximately \$125,000.00 - \$325,000.00.

5. Denies in paragraph 10 the accuracy of these matters as they are alleged.

6. Denies knowledge and information sufficient to form a belief as to each and every

allegation contained in paragraph 11, except, these were security instruments devised to secure a

loan of \$325,000.00, which loan was repaid with full interest.

WHEREFORE Plaintiff, John L. Edmonds demands judgment in his favor:

(a) Dismissing the Verified Answer and Counterclaims in its entirety;

(b) Awarding such other and further relief as this Court deems just and proper.

Dated: Brooklyn, New York

March 25th, 2009

Yours, etc.,

/s/ M. Douglas Haywoode

M. DOUGLAS HAYWOODE, ESQ. Attorney for Plaintiff
71 Maple Street
Brooklyn, NY 11225
(718) 940-8800

To: Wilson Elser Moskowitz Edelman & Dicker, LLP 3 Gannett Drive White Plains, NY 10604-3407 Attn: William J. Kelly, Esq. (914) 323-7000

Herrick, Feinstein LLP 2 Park Avenue New York, NY 10016 Attn: Scott E. Mollen, Esq. (212) 592-1505

VERIFICATION

M. Douglas Haywoode, an attorney at law duly admitted to practice in the State of New York and in the Federal Courts thereof, affirms the following under penalty of perjury:

I have read the foregoing Verified Answer to the Counterclaim and know it to be true to my knowledge, information, and belief. The grounds for my belief of those matters are based on information, including correspondence and documents furnished to me by the Plaintiff.

This verification is made by me rather than the Plaintiff because Plaintiff does not reside or maintain a place of business in the County in which I maintain an office.

/s/ M. Douglas Haywoode

M. Douglas Haywoode

NOTICE OF ENTRY

Sir:-Please take notice that the within is a (certified) true copy of an

duly entered in the office of the clerk of the within named court on

Yours, etc.

M. DOUGLAS HAYWOODE

Attorney for Plaintiff

Office and Post Office Address

BROOKLYN, NEW YORK 11225-5001 Fax (718)-940-9574 71 MAPLE STREET (718) 940-8800

To:

Attorneys

NOTICE OF SETTLEMENT

Sir: Please take notice of an

presented for settlement to the Hon. of which the within is a true copy will be

Dated, one of the judges of the within named Court,

Yours, etc.

M. DOUGLAS HAYWOODE

BROOKLYN, NEW YORK 11225-5001 71 MAPLE STREET

Fax (718)-940-9574 (718) 940-8800

Attorney for Plaintiff

Office and Post Office Address

To:

Index No.: CIV 5646 Year: 2008

SOUTHERN DISTRICT OF NEW YORK UNITED STATES DISTRICT COURT

ASSOCIATES a/k/a CHARLES H. HILL JOHN L. EDMONDS, INDIVIDUALLY AND PARTNER OF CHURCH HOME ASSOCIATES, LP AND AS A LIMITED ASSOCIATES, LP, CHARLES H. COMPANY, INC., LOGAN PLAZA FIFTH AND 106TH STREET HOUSING AS A MANAGING GENERAL PARTNER OF ASSOCIATES, LP,

Plaintiff,

AS A GENERAL PARTNER OF FIFTH AND ASSOCIATES et ano. PARTNER OF CHURCH HOME ASSOCIATES, CHARLES HILL PLAZA ASSOCIATES, LP, CHARLES HILL 106TH STREET ASSOCIATES, LP, LOGAN ROBERT W SEAVEY, INDIVIDUALLY AND ASSOCIATES, LP AND AS A LIMITED

VERIFIED ANSWER TO COUNTERCLAIM

M. DOUGLAS HAYWOODE

Office and Post Office Address, Telephone BROOKLYN, NEW YORK 11225-5001 Attorney for Plaintiff 71 MAPLE STREET

Fax (718)-940-9574 (718) 940-8800

To: Herrick, Feinstein

& Dicker, LLP Moskowitz Edelman Wilson Elser

Dated, Service of a copy of the within is hereby admitted.

Attorney(s) for Defendant